

KPMG launches multi-year program to accelerate global solutions for Environmental, Social and Governance issues



As part of its ongoing multi-billion-dollar investment program, KPMG plans to spend more than US\$1.5 billion over the next three years specifically to focus on the Environmental, Social and Governance (ESG) change agenda. The ESG strategy is designed to support KPMG firms' clients in making a positive difference. Importantly, this strategy is underpinned by KPMG's recognition of its responsibility to improve its impact on the world and the ESG commitments outlined in KPMG: Our Impact Plan.

The collective investment will focus on training and expanding KPMG's global workforce, harnessing data, accelerating the development of new technologies and driving action through partnerships, alliances and advocacy. The key to the transformation will be embedding ESG in the organization and client solutions to drive measurable change.

The new global ESG strategy focuses on five priority areas:

1. Solutions

Five newly dedicated Hubs are to be established to provide world-class expertise and solutions on key ESG issues. These will focus on:

- Global Decarbonization, helping large multinational businesses meet their net-zero commitments and plan their decarbonization journey, and
- Global ESG Advisory, backed by Advisory teams from KPMG firms, offering market-leading ESG expertise, including leadership on societal issues and solutions
- Three KPMG Regional ESG Hubs will also be established in Europe, Asia Pacific and the Americas, to allow clients easy access to world-class insights and expertise across the ESG agenda
- KPMG will invest in its leading climate and ESG solutions and technologies, including Climate IQ, a digital tool that helps clients identify opportunities and risks arising from climate change. To complement the technological investments, the global organization will also expand its workforce, both for ESG advisory work and to provide assurance on ESG disclosures. Additionally, KPMG will develop its proprietary audit workflow technology to enable delivery of ESG assurance with the same quality and rigor that KPMG firms apply to financial audit work.

2. Talent

ESG training will be provided to all of the KPMG organization's 227,000 people to ensure that everyone is empowered to be an agent of positive change. As part of this training, KPMG is working with two leading global academic institutions, University of Cambridge Judge Business School and NYU Stern Executive Education:

- The University of Cambridge Judge Business School partnership will build ESG skills, including the development of a learning framework and solutions to be applied across the KPMG global organization, led by the business school faculty and other experts associated with the school, beginning with hundreds of business leaders and with the ambition to reach all KPMG people around the globe.
- The NYU Stern Executive Education collaboration will see the co-creation of a sustainability program for KPMG in the form of executive education.

3. Supporting developing nations

KPMG will launch KPMG Emerging Markets Accelerators for developing nations in the Eastern Mediterranean, Africa, Asia-Pacific and Latin America. The goal of these Emerging Markets Accelerators is to ensure areas of the world lacking expertise and resources will have a trusted advisor to support their economic and social development in line with the UN Sustainable Development Goals.

4. Collaborations and alliances

KPMG recognizes that the world's issues will not be solved by any one organization alone, which is why the global organization is building on its collaboration with external organizations including UNESCO, Enactus and the Global Reporting Initiative.

Through alliances with Google Cloud, Microsoft and ServiceNow, KPMG is co-creating new tools and solutions that will provide critical insights based on data that clients can use to map their ESG journeys and implement vital changes to meet their commitments.

5. Listening and taking action

To help support the engagement pillar of its global ESG strategy, KPMG is also launching a new campaign called 'Voices for a Sustainable Future', offering a platform to amplify the views of established and new thinkers, giving voice to critical issues — from climate change to gender and race equality. The program will generate actionable insights to help accelerate the journey towards a more sustainable future.

Bill Thomas, *KPMG's Global Chairman and CEO*, said: "How you grow matters, and what worked for us and other businesses in the past will not work in the future. The world faces crises on multiple fronts, which is why we're putting the Environmental, Social and Governance agenda at the heart of everything we do. ESG will be the watermark running through our global organization; from empowering our people to become agents of positive change, to the services with our clients and our partnerships with critical stakeholders. KPMG has the global scale, expertise, technology and relationships that give us the ability and responsibility to use our position to provide solutions and services to overcome the challenges facing our planet and society."

Richard Threlfall, *Global Head of ESG and KPMG IMPACT*, said: "It is incumbent on all of us — as businesses and as individuals — to play our part in tackling the challenges that threaten the future of our planet and the quality of life of people throughout the world. Our global ESG strategy will help equip our people to make a difference, as well as mobilize data and technology in support. But we also recognize that the changes society is demanding will be realized most effectively through open collaboration based on trust, and we will continue to seek out opportunities to partner with other organizations that share our sense of purpose to enable a better future for everyone, everywhere."

KPMG's global ESG strategy comes less than a year after the organization launched KPMG: Our Impact Plan, which lays out the global organization's commitments on ESG themes, with the ultimate goal of making an even greater positive impact on the world. KPMG was the first professional services organization to transparently report against the World Economic Forum's Sustainable Metrics. The plan sets out a range of science-based targets, including a pledge to become a net-zero carbon organization by 2030. The execution and acceleration of KPMG: Our Impact Plan is a key priority for the global organization as it delivers on its commitments to tackle issues — from the climate crisis to social mobility and community engagement.

Jane Lawrie, *KPMG's Global Head of Corporate Affairs*, said: "We know that KPMG and our profession have an important and pressing opportunity to accelerate the change needed for a sustainable future; that change starts with us. KPMG: Our Impact Plan, launched in January, lays out how we intend to change our actions and commits to report against our progress so we can be held to account.

"The ESG agenda is as important to our people as it is to clients; these significant changes outlined today further reinforce KPMG's purpose to Inspire Confidence and Empower Change and act as a north star for how we grow the organization."

As **Ramona Jurubița**, *Country Managing Partner, KPMG in Romania* states: "Our Impact plan, which is generated by the need for KPMG to respond to the requirements of ESG, is fully up to date with the latest developments and expertise on ESG issues. Our plan is enhanced by an ecological agenda, and a program for post-pandemic support to communities, based on resilience and economic efficiency. Possibly the most attractive aspect of the plan is the provision to the UNESCO network of resources for the dissemination and development of continuing global education. In Romania, mentalities and politics are changing and professionals are learning new skills: the KPMG Impact Plan makes a significant contribution to the achievement of these objectives.

The ABC of ESG is very simple, but at the same time, hard to master. Environment, Social and Governance strategies need to be seen as part of a synergy which produces functional democracies, solid economies and a culture which is increasingly open to tolerance, empathy and responsibility. There are currently still countries which are struggling with the basic literacy- a hard, but relevant word- of the incorporation of ESG into key sectors of the economy in a sustainable way. Our multiannual program under the umbrella of the KPMG IMPACT has been developed precisely to offer a universal recipe for those who are well-experienced with ESG strategies, as well as those who until recently have been amateurs in this key area. A multiannual program for the acceleration of solutions related to ESG issues will generate a more coherent approach, which will iron out the differences between the champions and the novices in prioritizing ESG strategies, and will impel us to think together more efficiently and more quickly in relation to the dynamics of these efforts, and how they are affected by the evolution of the pandemic

The professional solutions presented under KPMG IMPACT will be able to help Romanian companies to move in the right direction in relation to reducing the risks of climate change, an area in which our country has tended to lag behind in terms of the level of public education, and on which it has not always demonstrated the right economic reflexes to engage with the issue. This is Romania's chance to apply the model of "intelligent cities", which use new technology to decarbonise their economies- few people understand that a "green" economy means a platform for investment, new jobs, the introduction of "intelligent" transport systems and, especially, a partnership between the private sector and the state to support new energy systems. In terms of human resources, this plan will help Romania to overcome polarization and disparities in the labor market, based on a new model of corporate citizenship", concludes Ramona Jurubița, Country Managing Partner, KPMG in Romania.